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Lean on Gadhafi regime. White House urges Libyans

By Barry Schweid

WASHINGTON — The Reagan administration, pressing its war of nerves with Moammar Gadhafi, advised the Libyan people yesterday to consider the country's isolation and economy and to decide whether he should remain in power.

Although it did not call directly for Gadhafi's ouster, the State Department said that "it's abundantly clear the Libyan economy has been mismanaged and that Libyan actions have increasingly isolated the Libyan people from the international community."

Spokesman Charles E. Redman, after reading the prepared statement, said that "it's up to the Libyan people to decide" Gadhafi's future. "I'm doing nothing more than pointing out some of the reasons on which they might make their decision," he said.

In Cincinnati at an American Legion convention, Defense Secretary Caspar W. Weinberger said the United States was not trying to provoke Gadhafi by engaging in military exercises in the Mediterranean.

"In the first place, you don't have to provoke Gadhafi. He's always provoked. But nobody's trying to do that," he said.

Redman read the statement after the Wall Street Journal reported yesterday that the CIA had intensified its covert efforts to unseat Gadhati, whom the United States accuses of promoting terrorism.

In mid-April, U.S. warplanes bombed Tripoli and Benghazi, the

two main Libyan cities, in what the administration described as retaliation for state-sponsored terrorism against Americans.

Weinberger told reporters, "I have to say we haven't had any incidents of major terrorism" since the air strikes.

The Journal said the CIA, under a plan approved last month by President Reagan, was increasing support to Gadhafi's internal enemies and trying to unify some of the splintered Libyan opposition groups.

Redman said in response to questions that he could not discuss "alleged intelligence activities." He also declined to say whether Gadhafi appeared to be "on a slope of one sort or another."

Gadhafi, in a speech Monday, called Reagan a "madman" and threatened to form an international army to "fight America everywhere."

Redman said he would not dignify the speech with a formal response but then said that "we reserve the right to respond to any act of statesponsored terrorism against the United States in a manner we deem most appropriate."

The Journal, attributing its information to unidentified sources, said the plan against Gadhafi called for the CIA to promote reports in the Middle East of increasing opposition to him and to recruit new agents to provide information on his regime.

The newspaper said U.S. analysts believed Gadhafi was losing touch with the military, including those officers who helped him seize power

in 1969, and it said U.S. strategy was to drive a wedge between the two forces.

It noted that the bombing raids in April were directed not against the regular Libyan military but against Gadhafi's inner circle and his support for terrorism.

The Journal also said the administration was encouraging France to attack Libyan forces in Chad and offering logistical support for thos attacks. The intent is to encourage disenchantment among Libyan military personnel with Ghadafi's foreign activities.

In an effort to destabilize opposition within the military, the paper said, Gadhafi had shuffled commanders, withheld ammunition from some army units and assigned more than 1,000 fanatical young revolutionary guardsmen to the military.

While the CIA was believed to have made some progress against Gadhafi, officials said it faced many difficulties in opposing him.

But it quoted U.S. and Western intelligence analysts as saying that there was no reason to believe that Gadhafi's demise was imminent.

"He's still in control," the Journal quoted a senior Reagan administration official as saying. "Even though he's isolated, he can still manipulate the intelligence services and the revolutionary guards."

And it said another administration official noted:

"No matter how nutty he gets, there is no obvious replacement around. There is no viable leader or organized group to pull it off."